

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Thursday, February 11, 2021

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss, Representatives Crane, Palmer, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway, Mitchell, Shepherd, Berch, Green

**ABSENT/
EXCUSED:** None

GUESTS: Carson Tester, Westerberg & Associates, Sarah Bettwieser, Cygnet, State Farm, Select Health, Jeremy Chou, Givens Pursley, Jeff Neumeyer, United Heritage, Jake Cluff, Ben Brocksome & Associates, Mike Reynoldson, Blue Cross of Idaho, Guy Stubbs, Hall & Associates, Trent Yost, Red Cedar Wealth Advisory, Dean Cameron, Director, Department of Insurance

Chairman Dixon called the meeting to order at 1:30 p.m.

RS 28482: **Rep. Troy** presented **RS 28482**, proposed legislation regarding the adoption of a specific section of International Building Code that would allow the mass use of timber for commercial and residential construction in the State of Idaho. Rep. Troy stated an emergency clause was added to prompt a quick review by the Idaho Building Code Board.

MOTION: **Rep. Shepherd** made a motion to introduce **RS 28482**.

In response to Committee questions, **Rep. Troy** stated while International Building Code is automatically adopted, Idaho is several code iterations behind and that the proposed legislation would allow for the most current code to be implemented.

Rep. Barbieri and **Rep. Armstrong**, voiced concerns about the necessity of the proposed legislation and would like more information on how it would interact with International Building Code.

VOTE ON THE MOTION: **Motion carried by voice vote.**

RS 28438: **Rep. Ferch** presented **RS 28438**, proposed legislation regarding the compensation of officers, directors, and employees of insurance companies. Rep. Ferch stated the legislation would allow for public disclosure of salary.

In response to a Committee question, **Rep. Ferch** stated the necessity of transparency, but not to broaden beyond the original intent of the proposed legislation.

MOTION: **Rep. Crane** made a motion to introduce **RS 28438**.

In support of the motion, **Rep. Berch** and **Rep. Barbieri** spoke to the benefit of the proposed legislation, but would like further clarification on the reasoning behind focusing on insurance employees, directors, and officers, as well as to what the ramifications would be if the proposed legislation was introduced.

VOTE ON THE MOTION: **Motion carried by voice vote.**

Chairman Dixon turned the gavel over to **Vice Chairman Furniss**.

RS 28414: **Chairman Dixon** presented **RS 28414**, proposed legislation regarding the removal of on-the-job electrical journeyman to apprentice ratio and requiring constant on-the-job supervision of electrical apprentices be provided. **Chairman Dixon** stated the proposed legislation would also require additional hours and measures for safety training.

MOTION: **Rep. Crane** made a motion to introduce **RS 28414**.

In response to a Committee question, Chairman Dixon stated the frame in working on the proposed legislation was done in consideration of the rejection of a statute for the Department of Building Safety and in line with the Red Tape Reduction Act.

VOTE ON THE MOTION: **Motion carried by voice vote.**

Vice Chairman Furniss turned the gavel over to **Chairman Dixon**.

H 81: **Rep. Bundy** presented **H 81**, legislation regarding the change of number of members allowed to sit on Board of Directors for specific insurance companies. **Rep. Bundy** stated the legislation would be consistent with other board sizes allowed in existing law as well as allow for better representation for Idahoans.

In response to Committee questions, **Rep. Ferch** and **Dean Cameron**, Director, Department of Insurance, offered additional explanation for the increase in board member size. Director Cameron answered additional questions in relation to the current authority of the Board of Directors and how the increase of members would be beneficial.

MOTION: **Rep. Shepherd** made a motion to send **H 81** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Bundy** will sponsor the bill on the floor.

RS 28142: **Rep. Furniss** presented **RS 28142**, proposed legislation regarding the clarification on the difference between health insurance and health sharing ministries. **Rep. Furniss** stated the proposed legislation would benefit Idahoans by drawing a clear line for what service may best benefit them.

In response to Committee questions, **Rep. Furniss** stated that most health sharing ministries are charitable or religious organizations and provided examples and the definition of bad actors in regards to insurance.

Rep. Crane declared **Rule 80**, stating a possible conflict of interest but that he would be voting on the legislation.

MOTION: **Rep. Crane** made a motion to introduce **RS 28142**. **Motion carried by voice vote.** **Rep. Barbieri** requested he be recorded as voting **NAY**.

RS 28458: **Rep. Furniss** presented **RS 28458**, proposed legislation regarding the establishment of exclusive standards for data security and addresses privacy concerns associated with cyber-security. **Rep. Furniss** stated the proposed legislation addresses concerns for insurance companies and that he worked with the Department of Insurance and other insurance companies in gathering information.

MOTION: **Rep. DeMordaunt** made a motion to introduce **RS 28458**. **Motion carried by voice vote.**

H 79: **Rep. Furniss** presented **H 79**, legislation that would require insurance producers and insurers to act in the best interest of a consumer when making a recommendation of annuity products. He stated it would also establish producer training expectations and allow the objectives of consumers and the needs of insurers to be met.

Rep. Furniss declared **Rule 80**, stating a possible conflict of interest but that he would be voting on the legislation.

In response to a Committee question, **Rep. Furniss** stated the legislation was addressing annuities at an agent level as well as relating to suitability requirements. **Rep. Furniss** deferred to **Director Cameron**, who addressed additional concerns about **H 79**, including how the legislation would define the term 'best interest' in relation to consumers.

Those speaking **in support** were **Jeff Neumeyer**, United Heritage, **Guy Stubbs**, NAIFA, **Trent Yost**, Red Cedar Wealth Advisors, and **Emmalee Robinson**, NAIFA. Each shared experiences regarding difficulty with providing quality customer service to their customers and how **H 79** would help them provide the best customer service to their clients.

Rep. Clow expressed support for the legislation.

MOTION: **Rep. Berch** made a motion to send **H 79** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep Furniss** will sponsor the bill on the floor.

H 80: **Rep. Furniss** presented **H 80**, legislation regarding Reinsurance Model Law. **Rep. Furniss** stated the purpose of the legislation was to give insurance companies more flexibility and options when purchasing policies of reinsurance, commonly available for purchase on the international market.

Director Cameron also spoke to **H 80**, stating a majority of the language was already existing in law and the consumer would be more protected by the approval of the legislation. He added failure to pass **H 80** could lead to Idaho companies relocating their businesses, Federal interference, the loss of an accreditation standard, and reinsurers could potentially less companies to work with.

Speaking **in support** was **Jeff Neuyemer**, United Heritage, stating the legislation would streamline reinsurance, lead to better reinsurance costs, and a larger availability of reinsurance companies for consumers. He spoke to **Director Cameron's** comments, stating if the legislation didn't pass, the Federal Government would become involved, resulting in difficulties for domesticated Idaho companies.

Rep. Armstrong expressed concerns about the number of pages in the bill, stating the legislation was large and would be a step backwards from the efforts of the Red Tape Reduction Act.

In response, **Rep. Furniss** reiterated how most of the language in **H 80** was already in law, and offered to go through the legislation with **Rep. Armstrong**.

MOTION: **Rep. Andrus** made a motion to send **H 80** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Furniss** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 3:16 p.m.

Representative Dixon
Chair

Mackenzie Gibbs
Secretary